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## VI. IMPLEMENTATION

The General Plan is not an implementation tool. Rather, the Plan establishes the foundation of information, analysis, conclusions, rationale, goals, objectives and policies which provide guidance and recommendations for future action. Therefore, the Implementation section of the General Plan identifies techniques, strategies, and methods for carrying out the recommendations contained in the Plan. Major City processes independent of the General Plan provide a vehicle for implementation. The major implementation processes described include the Development Review process, the City's Annual Capital Improvement and Budget Programs, the General Plan Annual Review and Special Implementation Programs. Special Implementation Programs already in existence or proposed provide a means to carry out certain objectives of the Plan.

General Plan implementation depends on much more than merely the actions or decisions of municipal government alone. Inter-governmental and private sector decisions and investments also play a major role in implementation. The General Plan is intended to serve a coordinating function for those decisions which affect the physical development of the City.

Several of the major intergovernmental decisions which warrant attention include the Federal Government's funding of block grants for redevelopment, rehabilitation, conservation and housing subsidy programs; the Federal Government's funding of Water Pollution Control Plant improvements, airport approach zone acquisition and the Federal share of freeway or mass transportation funding. These, plus State, regional and County decisions affect the City and its residents in such diverse areas as transportation, air quality, education, flood protection and health and welfare facilities and services.

The private sector, of course, finances and implements most of the development that occurs in the City. Decisions on the specific location and timing of a development project have traditionally been initiated by the private sector and will, on the whole, continue to be. The City, however, is taking an increasingly active role in shaping development decisions to improve the relationship between private development and public facilities, services, and interests.

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## VI. IMPLEMENTATION

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### DEVELOPMENT REVIEW PROCESS

The City's Development Review process is a multifaceted one involving the programs of several City departments. This process has the most direct influence on the City's ability to carry out the primary development goals and policies of the General Plan. The Development Review process also implements the land use designations as shown on the Land Use/Transportation Diagram.

The primary elements of the Development Review process include: specific plans, zoning, subdivision, environmental review, annexation, site and architectural review, building permits and citizen participation. In addition, the City Council Level of Service Policies for transportation, sewers and the Water Pollution Control Plant implement those same policies in the General Plan and control the rate and amount of new development which is allowed. The citizen participation component of the Development Review process includes public hearings which are incorporated into all those phases of the Development Review process that involve the issuance of discretionary permits by the City. Community meetings are also a vehicle for public participation and are held whenever warranted by the nature of a project or the level of public interest.

#### Specific Plans

The specific plan process allows for more detailed planning of a specific geographic area and ensures that the development of this area will proceed according to specific use, design, phasing, and financing provisions tailored to the circumstances of that area. Specific plans may vary in detail ranging from a level of analysis consistent with General Plan review and policy direction to the Planned Development zoning level which contains detailed development

standards. Specific plans are used to coordinate the development of properties in a large area under multiple ownerships. This approach helps to avoid the problems associated with piecemeal development and allows property owners and the City to resolve complex development problems in a cooperative manner.

The City Council adopted an ordinance and a policy which establish the procedures for the creation and administration of specific plans as well as the process and criteria for developing specific plans. Both the ordinance and policy identify who may initiate a specific plan, the types of properties or areas that might be suitable for a specific plan, and the nature of the obstacles to be overcome that warrant use of a specific plan as the appropriate planning tool. The process for funding and preparing specific plans is also discussed in both the ordinance and the policy. The specific plan process is complex and requires a substantial commitment of time and of public and/or private funds and, therefore, should be used only when the benefits warrant the cost.

Specific plans are integrated into the General Plan to help ensure consistency with the Major Strategies and Goals and Policies of the Plan and to give General Plan support to the objectives of the specific plan. Specific plans can only be incorporated into the General Plan through the General Plan Amendment process but not necessarily through the General Plan Annual Review process described later in this section. Revisions to adopted specific plans, however, may occur only during the General Plan Annual Review process.

Specific plans are typically incorporated into the General Plan as Planned Residential Communities or Planned Communities. Implementation of specific plans is usually accomplished through the Planned Development zoning process, which is

described below, but specific plans also may be implemented by conventional zoning or a combination of both conventional and Planned Development zoning.

## **Zoning**

The land uses shown on the Land Use/Transportation Diagram are not, in all cases, reflective of the existing zoning of property. In such cases, the General Plan land use indicates the intent of the City as to what is the appropriate future zoning. As a charter city, the City of San José is exempt from the statutory requirement that zoning be consistent with the General Plan. However, the General Plan and its policies are considered by the City Council in enacting new zoning ordinances and any inconsistency is based on a determination that such zoning furthers the community welfare and will not impair the major objectives and goals of the General Plan.

In general, the Land Use/Transportation Diagram reflects existing land use in the appropriate General Plan land use category. There are two exceptions to this general rule. Because the Land Use/Transportation Diagram is not intended as a parcel by parcel mapping of proposed land use, some small individual parcels are designated the same as the predominant category of land use in the vicinity. Areas of the City that are in transition from one land use to another (such as from agricultural to residential, single-family to multiple-family or residential to industrial/commercial) are designated as the new use. Scattered or mixed land uses in these transitional areas are generally zoned the same as the predominant use. Therefore, in these transition areas, a land use consistent with the predominant existing use is designated on the Land Use/Transportation Diagram instead of the individual existing mixed uses.

The zoning process consists of the rezoning of lands within the incorporated City limits (or the prezoning of property proposed for annexation) from one zoning district to another. The rezoning of property directly implements the land use designations as shown on the Land Use/Transportation Diagram since, by City Council policy, the rezoning of property should ordinarily conform to the General Plan. Zoning applications are reviewed by various City Departments for consistency with City Council and General Plan policy as well as to identify specific public improvements and requirements such as streets, storm and sanitary sewers, fire hydrants and street lights. Review by other public agencies is also incorporated in the zoning process as appropriate.

Zoning changes take two forms; conventional zoning and Planned Development zonings. Conventional zoning districts contained in the City's Zoning Ordinance include a range of allowed land uses, development intensities and standards within the major land use categories: residential, commercial and industrial, together with zoning districts for other land uses such as Agriculture and Open Space. The various ranges of allowed use and development intensity correspond generally to the respective General Plan land use designations, thereby allowing the application of a zoning district to a property which implements the land use intended by the General Plan. The Site Development Permit process is used to implement both the Urban Design and Neighborhood Preservation goals and policies of the Plan.

Planned Development zoning provides the means to tailor such regulations as allowed uses, site intensities and development standards to a particular site. These development standards and other site design issues implement the design standards set forth in the General Plan and design

## VI. IMPLEMENTATION

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guidelines adopted by the City Council. This Planned Development zoning process enables the City Council to consider the unique characteristics of a development site and its surroundings to better implement the objectives, goals and policies of the General Plan. The second phase of the Planned Development process, the Planned Development permit, is a combined site/architectural permit and conditional use permit which implements the approved Planned Development zoning on the property.

### Subdivision

The subdivision process directly implements the General Plan by regulating the subdividing of property. The State Subdivision Map Act requires that all subdivisions be consistent with the jurisdiction's General Plan. The subdivision process is the point at which the specific infrastructure improvements are identified for many proposed projects.

### Site Development

The Site Development permit process requires site and architectural review of all new development and redevelopment in the conventional zoning districts with the exception of single family residential uses. The Site Development permit process implements both the appropriate zoning district development restrictions as well as appropriate General Plan policies. Design guidelines, adopted by the City Council, provide specific design standards for architectural and site review.

In addition to the Site Development permit, an Historic Preservation permit is required for modifications to a designated Historic Landmark structure. This permit process fosters the implementation of the Historic

Preservation goals and policies of the General Plan.

### Annexations

The Annexation process furthers the Plan's Urban Development goals and policies by controlling the incorporation of land within the City's municipal boundary. This process has major implications for both the City and the affected properties, since annexation signifies the acceptance by the City of the responsibility to provide the wide range of necessary municipal facilities and services.

### Environmental Clearance

The City's Environmental Clearance process which is mandated by the California Environmental Quality Act (CEQA), plays a crucial role in the implementation of many policy areas of the General Plan. The Environmental Clearance Ordinance, adopted by the City Council in compliance with CEQA, requires environmental clearance of all discretionary permits issued by the City, most public works projects, and all amendments proposed for the General Plan itself. The Annual Review process has deadlines for the submittal of required environmental documentation.

Administrative Draft Environmental Impact Reports for amendment requests must be submitted on or before June 1st. Technical reports (such as traffic reports) which are required to complete an initial study must be submitted no later than August 1st.

When potentially significant environmental effects of a project are identified, the preparation of an Environmental Impact Report is required in order to analyze in depth those impacts and to develop mitigation measures which can be incorporated into the project to minimize or avoid them. Many of the General Plan's goals and policies are implemented through

this process, particularly those dealing with the avoidance of natural hazards and the preservation of natural, historical, archaeological and cultural resources.

The Environmental Clearance process also facilitates the implementation of the Facilities and Services goals and policies of the General Plan. The review of proposed development includes the analysis of the project's compliance with the Plan's Level of service policies for transportation, sanitary sewer and Water Pollution Control Plant capacity.

A second manner in which the Environmental Clearance process aids in the furtherance of the Plan's Facilities and Services policies is through the review required for proposed public works capital improvement projects. All such projects must be identified in the Capital Improvement Program and should be consistent with the General Plan. These criteria are verified through the identification of the nature, scope and intent of the proposed project in the environmental document.

### **Level of Service Policies**

The General Plan Facilities and Services goals and policies specify minimum acceptable standards of performance or "levels of service" for the City's critical infrastructure systems: transportation, sanitary sewers and the Water Pollution Control Plant. These policies play a key role in maintaining the quality of life in San José and in the implementation of the Plan's Growth Management Strategy which encourages infill development that can be more efficiently served by existing facilities and resources; and which places strict controls on outward urban expansion due in large part to the significant expense involved in developing new and expanded facilities and service systems to serve such areas. The

City Council Policy Manual provides detailed information regarding the implementation of the Level of Service policies.

### **Building Permits**

The Building Permit process is the final phase in the Development Review process. Building permits are ministerial in nature, requiring no public hearing or review process. Building permits implement the approved site and architectural design for a project, as required by either the Site Development or Planned Development permit processes.

The Building Permit process also implements the Natural Hazards and Safety goals and policies of the General Plan by requiring compliance with the Uniform Building Code standards for building design. The City also enforces a Dangerous Buildings Ordinance which requires the repair or demolition of buildings found to be structurally unsafe. A Geologic Hazards Clearance is required for construction projects located in areas with potentially sensitive or hazardous geological conditions, such as the hillsides.

### **Citizen Participation**

The Plan's Community Identity policies encourage residents to take part in local government decision-making. One vehicle for such participation is the public hearing process.

All phases of the Development Review process, with the exception of Building Permits, include public hearings and noticing requirements as a component of the process. Public hearings are held before both the Planning Commission and City Council on specific plans and zoning applications. The City Council also considers all annexation

## VI. IMPLEMENTATION

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requests. The City's Environmental Clearance Ordinance requires a public hearing before the Planning Commission on all Environmental Impact Reports prepared by the City. The Environmental Clearance process also provides for the noticing of the findings of the City regarding the environmental effects of certain projects and allows for public scrutiny of these findings. Public hearings are also conducted by the Director of Planning on all Site Development and Planned Development permit applications.

In addition to public hearings, opportunities for public participation in the planning process are provided through community meetings during the Annual Review of the General Plan and for other projects that warrant such attention. Members of the public often participate as community representatives on task forces or committees that consider specific plans or other projects of broad community interest. Special study meetings, such as task force meetings, provide a public forum for all persons interested in the study topic.

Finally, the City encourages developers to consult with neighborhood groups early in the development review process to resolve potential differences before the public hearing process begins. ■

### **CAPITAL IMPROVEMENT PROGRAM**

Construction of public facilities and infrastructure is an important link between the development of the City and the implementation of the General Plan. The City's Five Year Capital Improvement Program (C.I.P.) itemizes specific improvements and indicates the schedule and anticipated funding for them. Based on an annual review of the C.I.P., priority capital improvement projects to serve existing or planned urban development are identified. The Annual Capital Improvement Budget is then adopted to implement these priority projects. In this way, the C.I.P. serves as a financial planning document as well as a physical planning document. It permits the construction of improvements to occur in a logical order which prevents unnecessary duplication, and it allows the construction of a single project to be scheduled over more than one year. For example, scheduling street improvements to follow installation of sewers and water mains is more efficient and more likely to avoid conflicts than scheduling these improvements independently.

The Five-Year Capital Improvement Program enables the implementation of the City's fiscal policies in a manner which is consistent with the goals and policies of the General Plan. For example, to implement the General Plan goal to increase economic development, the C.I.P. can identify those public improvements which are most likely to maintain and attract industry. To implement the City's Greenline strategy, City purchase of key parcels to assure preservation of larger open space areas may be proposed. The C.I.P. can also be used to implement growth strategies in the General Plan by locating and programming public facilities and infrastructure in areas where development is planned and by delaying improvements in areas where development is



restricted. Finally, by stipulating land uses and densities, the General Plan provides the basis for the design and capacity of public facilities necessary to meet the community's future infrastructure needs. ■

## **DEVELOPMENT FEES, TAXES AND IMPROVEMENT REQUIREMENTS**

New growth and development add to the service and facility requirements of the City and other public agencies. Additional demand for ongoing services is financed by the operating revenues paid by new as well as existing development. However, the fiscal burden of the new facilities necessary in order to deliver City services to new development is beyond the capacity of normal municipal revenues. In recognition of this fact, the Services and Facilities policies state that the capital and facility needs generated by new development should be financed by new development. The City implements this policy in three ways:

1. New development is required to construct and dedicate to the City all public improvements directly attributable to the site. This includes neighborhood or community parks and recreation facilities, sewer extensions, sewer laterals, street improvements, sidewalks, street lighting, fire hydrants and the like. In the implementation of the level of service policies for transportation and sanitary sewers and neighborhood and community parks, development is required to finance improvements to nearby intersections or downstream sewer mains in which capacity would be exceeded, and dedicate land, pay an in-lieu fee or finance improvements for parks and recreation needs which would result from the development.
2. To finance the construction and improvement of facilities and infrastructure systems for which the demand for capacity cannot be attributed to a particular development, the City imposes a series of taxes through which new growth collectively finances these facilities and systems. These taxes are over and above cost-recovery fees charged for

## VI. IMPLEMENTATION

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processing and reviewing applications for development approvals and permits. Examples of development taxes include:

- The Construction Tax and the Conveyance Tax (the latter paid in connection with any transfer of real property, not just new development) provide revenue for parks, libraries, library book stock, fire stations, maintenance yards and communications equipment.
  - The Building and Structures Tax and the Commercial/Residential/Mobilehome Park Tax provide revenue for the construction of the major street network.
  - Connection Fees provide revenue for the construction of storm sewers, sanitary sewers and expansions of sewage treatment capacity at the Water Pollution Control Plant.
  - These fees and taxes may need to be adjusted from time to time to reflect changing costs and new requirements. Additionally, new fees or taxes may need to be imposed to finance other capital and facility needs generated by growth.
3. A variety of techniques may be used by the City to advance funds for construction of facilities and infrastructure necessitated by new development. These techniques may include assessment districts and agreements or other methods by which the City requires reimbursement of funds advanced. The City may provide for deferral of assessment payments in certain circumstances to encourage particular parcels to remain undeveloped or underdeveloped. ■

## REDEVELOPMENT

The City provides significant incentives for economic development through the designation of Redevelopment Areas within which the City's Redevelopment Agency provides funding for the construction of the major infrastructure necessary to support commercial and industrial development. The resulting economic development, in turn, provides both new jobs and increased tax revenues which support the provision of City services for all residents. Through this process, a wide range of General Plan goals and policies are furthered, including increases in economic development, Downtown revitalization, and the provision of adequate services and facilities. The City's redevelopment projects include industrial redevelopment areas in North San José, Central and South San José. In addition, there are several different redevelopment areas in the Downtown Core designed to support the revitalization of blighted areas and generate new office, retail, hotel and convention facilities.

The tax increment financing technique established by California Redevelopment Law is utilized to freeze the property tax rate within the proposed area at its existing level when the redevelopment area is formed. Thereafter, increases in the property tax revenues generated by increased assessments on land and improvements within the designated area accrue to the Redevelopment Agency.

There are two ways in which the tax increment revenues are used to directly benefit the greater community. First, State Redevelopment Law requires that 20% of all tax increment revenues be set aside for the construction of low and moderate income housing. This housing may be constructed within or outside of the Redevelopment areas and is one of the major sources of funding to implement the General

Plan's Housing goals and policies as well as the housing programs contained in this section. The second manner in which redevelopment revenue can be used to benefit the community is through the funding of various infrastructure improvements outside of the designated redevelopment areas but which directly support economic development within the area. ■

## **CENTRAL INCENTIVE ZONE**

The City has established a Central Incentive Zone designed to attract economic and residential development to the Downtown area, beyond the boundaries of the formal redevelopment areas. Developers of projects inside the approximately five square mile zone receive significant one-time construction tax exemptions from the City. The taxes are suspended for qualifying commercial and industrial projects and residential developments of dwellings with four units or more. The exempted taxes include: 1) Construction Tax, 2) Residential Construction Tax, 3) Building and Structures Tax, and 4) Commercial/ Residential/ Mobilehome Park Building Tax. The tax exemptions do not apply only to new construction, and, as a result, a number of valuable historic structures in the Downtown are being rehabilitated to take advantage of the incentives offered by the City. ■

## **HOUSING**

In the development of the Land Use/ Transportation Diagram, those residential and housing goals and policies having spatial or locational dimensions were considered and are, to a large extent, implemented by land use designations and through the process of reviewing development proposals. Other housing goals and policies cannot be effectuated through land use decisions and

require program responses as outlined in the following sections.

Quantified objectives for housing programs are for the revised time frame of the Housing Element (January 1, 1999 through June 30, 2006) rather than the 1994-2020 time frame of the General Plan. These objectives reflect the Consolidated Plan timetable mandated by the Federal Government (fiscal years 1999/ 2000 through 2004/05).

The following discussion is integrally linked with the goals and policies stated in this Plan. The implementation of the housing and other related goals and policies occurs through the development review process, as described earlier in this chapter. Technical information regarding housing issues in San José is provided in Appendix C (Housing) which also includes a detailed description of the housing programs listed below.

## **Summary of Housing Needs Analysis**

In support of the 1999-2006 update of the Housing Element, the City applied available data to build on previous updates. The conclusions of the update indicate a continuation of the trends identified five years earlier. Housing costs remain high in San José and the County as a whole, relative to the State. According to available 1990 Census information, the median value of a home in San José was in the 250,000-300,000 dollar range. In January 2000, the average sale price for a home in San Jose was \$450,000 (San Jose Real Estate Board). Clearly such high prices, coupled with high financing costs, can severely constrain the ability of even moderate income families and households to purchase a home. Because of spatial correlations between housing cost and employment centers, the spiraling of prices has also caused an even longer commute time for many households searching for cheaper housing both inside and outside of

## VI. IMPLEMENTATION

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the region. Such commutes impact the transportation network and degrade the environment.

San Jose's population grew from 782,248 in 1990 to 923,591 in 2000 - an increase of 141,343 residents. The City of San José includes over half of the county's population has grown slightly faster than the county as a whole over the past decade, and accounts for 72.8% of the residential growth in the county. During the last decade the City's population increased 18% while the county's increased by 17%. This growth is expected to continue into the next decade but at a much slower rate.

The size of households has increased from 2.96 persons per household (PPH) in 1980 to 3.08 PPH in 1990 and 3.27 PPH in 2000 (Department of Finance). This increase is partially due to the increase in the number of larger families, as well as rising housing costs. According to the 1990 Census, the proportion of overcrowded dwelling units more than doubled between 1980 (6.8%) to 1990 (14.9%) with a higher percentage of renters living in overcrowded conditions than owners. As greater numbers of families and households are unable to enter the ownership housing market, they turn to the rental market. The tight housing market has caused vacancy rates to range between 1.0% and 3.5% over the last decade. In addition, 16,592 multiple-family units were constructed between 1990 and 1999 reflecting the continued demand for rental units.

In 1990, the City identified 55,410 low income households, out of a total of 251,050 households citywide, which are in need of housing assistance because of living conditions, housing conditions, or housing costs. Of the 55,410 households in need, 16,417 are in owner-occupied units and 38,993 are in rental units.

Under State law, the Association of Bay Area Governments (ABAG) determines the fair share allocation of housing need for all Bay Area communities. For San Jose, the housing need is 26,114 dwelling units between January 1999 and June 2006. Of this number, 5,337 are needed for very low income households, 2,364 for low income households, 7,086 for moderate income households and 11,327 for above moderate income households.

### **Determining an Appropriate Program Response**

The City of San José has traditionally provided the bulk of housing in Santa Clara County with a large range in price variation including the largest number of affordable units. According to the San José Real Estate Board, the median price for ownership housing in San José in 1990 was the second lowest in the county. The needs analysis contained in the Housing Appendix, however, clearly indicates a large and complex housing need which exceeds the resources of the City to meet.

In determining an appropriate program response, the City seeks to maximize its resources towards the area of greatest need and to utilize available State and Federal programs. Recently, however, Federal and State resources which address housing needs have diminished, while needs have increased, particularly for low income rental apartments.

In order to implement the City's housing programs more effectively, the City Council consolidated the Housing and Neighborhood Development Division of the Department of Neighborhood Preservation with the Housing Development section of the Redevelopment Agency in the fall of 1987 and created the Housing Department. A Mayor's Task Force on Housing was created

to develop housing policies to guide the City in addressing affordable housing needs. A comprehensive Housing Needs Assessment was prepared by a consultant and reviewed by the Task Force; together with input from the community, the Housing Needs Assessment formed the basis for the five-year Housing Program. The Mayor's Final Report outlines the following City housing policy goals:

**Goal 1:** Increase the supply of affordable housing, preserve the housing stock and reduce the cost of developing affordable housing.

**Goal 2:** Utilize available resources to address priority needs for housing.

**Goal 3:** Increase the funds available for the preservation and development of affordable housing.

**Goal 4:** Disperse low income housing throughout the City to avoid concentrations of low income households and to encourage racial and economic integration.

**Goal 5:** Encourage greater involvement of public and private sectors to increase and preserve the stock of affordable housing in San José.

Based on these policy goals, a series of recommendations was made relating to land use planning, site acquisition, residential development tax exemptions, Single Room Occupancy housing, the conversion of assisted units to market rate rentals, long-term affordability requirements, targeting of funds by income level and need for new or rehabilitated housing, development policies for rental and ownership housing, last resort housing and other issues.

The City has systematically addressed these issues and has implemented the individual

recommendations outlined in the Final Report. These goals continue to shape the program directions implemented as a part of the City's Consolidated Plan.

The Housing Assistance Program objectives outlined below include the City's funding resources (numerically identified in the text) as well as available Federal and State monies. Because of uncertainties in dollar projections and recent legislative action at the Federal level, these objectives can only be considered as numerical representations of what the City anticipates can be achieved for low and moderate income housing.

The housing program objectives set forth below represent the results of a number of analyses. The construction activity projections are based on the City's annual construction activity forecasts used in the development of the Capital Improvement Program.

The other program objectives are based on: 1) the City's experience with affordable housing programs which will be monitored annually and updated in conjunction with the Consolidated Plan goal setting process; 2) the rates of success in implementing the Housing Element program goals incorporated into the General Plan in 1978, 1981, 1983, 1984, 1988, 1989, and 1994; and, 3) State and Federal Government funding resources available to the City. The objectives for the "Additional Programs" listed on pages 257-259 are based on the need to promote additional housing opportunities and to expand existing programs.

## **Housing Assistance Program Objectives**

### **Construction Activity Projections**

The City of San José has projected a total dwelling unit production of approximately

## VI. IMPLEMENTATION

24,700 units for the January 1999- June 2006 time frame of the Housing Element. These figures assume an average of 3,800 new building permits approved each year, reflecting the recent trend of housing construction in San José. The City projects approximately 7,300 units of affordable housing production for the fiscal year 2000/01 - 2005/06 time frame. Between January 1999 and June 2000, approximately 1,400 affordable housing units were produced.

### Local Assisted Housing Programs Objectives

The City of San José's very low, low and moderate income housing goals for the 2000/01-2005/06 Consolidated Plan are summarized on Figure 21 and 22 (see next page). In addition to the five-year housing production goals shown in Figure 21, the City has goals for the conservation of existing affordable housing units. For example, there are 10,815 mobilehome units in San José as of 1999 and all but about 200 of these units are located on sites zoned T-M (Mobilehome Park District) or are under a Planned Development zoning which allows only mobilehome parks as a permitted use. These zoning districts are designed to encourage the preservation of mobilehome

parks and give them some continued protection from speculative conversion to other units during the 1999-2006 planning period because of the increased stability provided for mobilehome parks through these zoning districts.

Figure 21 indicates that the goals for new construction of assisted housing units includes the acquisition/rehabilitation of "at-risk" units (federally assisted rental units that could be converted to market rate rents). The City's Housing Department will use a variety of programs identified in the Housing Appendix to conserve these units. The City's maximum goal is to conserve all of the 2,662 1,551 units identified by the Housing Department as "at-risk" of conversion. Figure 22 breaks down the production goals according to income levels for identified priority groups.

**Figure 21. Proposed Five-Year Production Goals 2000-2005**

Income Groups	Unit Goals	New Construction	Rehabilitation	Conservation/ Preservation
Extremely Low/ Very Low Income	4,516	950	900	2,666
Low Income	1,743	1,368	375	0
Moderate Income	1,046	821	225	0
Total:	7,305	3,139	1,500	2,666

**Figure 22. Production Goals Based on Income and Priority Groups**

Priority Group	Income Group	Unit Goal
<b>Renter Households</b>	Small Family Households	Extremely Low Income
		Very Low Income
		Low Income
	Large Family Households	Extremely Low Income
		Very Low Income
		Low Income
	Elderly Households	Extremely Low Income
		Very Low Income
		Low Income
	Other Households	Extremely Low Income
		Very Low Income
		Low Income
<b>Owner Households</b>	Extremely Low Income	
	Very Low Income	
	Low Income	
<b>Special Populations</b>	Extremely Low, Very Low and Low Income	
<b>Total Goal</b>		<b>7,124</b>

Source: Department of Housing Consolidated Plan, 2000-2005

### Existing and New Programs

The following actions will be taken in implementing the goals of the City of San José's Five-Year Housing Strategy:

#### The Use of the City's 20% Redevelopment Housing Fund

Under the requirements of California Community Redevelopment Law, as provided in Section 33334.2 of the Health and Safety Code, 20% of the tax increment funds from merged, amended, or newly created redevelopment areas utilizing tax increment financing must be set aside for

housing purposes for low and moderate income households. These funds may be used for a variety of purposes such as land or building acquisition, construction financing, subsidies, land improvements, development of plans and paying the principal or interest on bonds and loans. Within the next five years, the City will leverage its local resources by borrowing up to \$150 million dollars in the capital markets, via either tax-exempt or taxable bonds. Of these funds, up to fifteen percent will be allocated for moderate-income housing, up to twenty-five percent for low income housing, and a minimum of sixty percent for very low income housing.

## VI. IMPLEMENTATION

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### **Tax Allocation Bonds**

During the next five years (fiscal years 2000/01 to 2005/06) the City will augment its local funding resources by borrowing up to \$150 million in the capital markets using either tax exempt or taxable bonds, or borrowing on lines of credit. The Redevelopment Agency's Capital Budget and 1999/00-2004/05 Capital Improvement Program indicate a total of \$57.3 million of the 80% Tax Increment Fund being diverted to the Housing Department as supplemental funding for affordable housing. This supplemental funding is reserved for financing housing units affordable to households at up to 30% of median income (known as Extremely Low Income, or ELI).

### **Community Development Block Grant Funding**

All Community Development Block Grants (CDBG) must benefit low and moderate income persons or contribute to the elimination and prevention of slums. San José will use CDBG funds in the following programs:

- San José's Housing Rehabilitation Program is expected to provide financing for the rehabilitation of from an estimated 2,000 substandard housing units in specified target areas, over a five-year period, for lower-income households. These loans will be financed on a Citywide basis under the City's loan and grant programs.
- The funding of the Home Access Program will provide approximately 300 home improvement loans to low income, elderly, and disabled residents of the City.
- The Weatherization Program is projected to improve a minimum of 1,500 housing units.

- The Handy Workers Program is projected to provide home repair services to a minimum of 350 elderly or disabled persons.
- In addition the City's CDBG resources will continue to fund programs that help fulfill the goal of housing dispersion and production depending on resources and a yearly evaluation.



**HOUSING**  
Existing and New Programs

**Figure 23. Housing Programs**

<b>HOUSING PROGRAMS</b>				
<b>Housing Policies</b>	<b>Implementation Programs</b>	<b>Time Frame</b>	<b>Responsible Bodies</b>	<b>Funding Source</b>
<p><b>Housing Policy #12, Conservation and Rehabilitation</b> Extension of mortgage credit for rehabilitation loans by private sector lending institutions should be fostered.</p> <p><b>Housing Policy #14, Low/Moderate Income Housing -</b> The City should stimulate the production of very low-, low- and moderate-income housing by appropriately utilizing State and Federal grant and loan programs, City Redevelopment 20% tax increment funds, mortgage revenue bonds, and such other local programs authorized by law.</p>	Continue to provide investors in low income housing the use of tax credits to reduce their federal and state income taxes.	Ongoing; 2-3 projects annually	Department of Housing	Low Income Housing Tax Credits (LIHTC)
	Continue to provide tax-exempt financing for construction and acquisition/rehabilitation of rental projects in which a minimum of 20% of the units must be very low-income or a minimum of 40% of the units must be low-income.  <b>Outcomes:</b> FY 2000-01, 8 projects/ 735 affordable units were funded	Ongoing; 10 projects/800 affordable units annually	Department of Housing	California Debt Limit Allocation Committee; Tax-Exempt Mortgage Revenue Bonds
	Continue to provide funding for rehabilitation, new construction financing and non-profit capacity building  <b>Outcomes:</b> FY 2000-01, funded the construction of 132 very-low income and 303 extremely low-income units	Ongoing	Department of Housing	HOME Program Funds
	Continue to provide grants for renovation or conversion of buildings for use as emergency shelters for homeless and provision of essential services to the homeless  <b>Outcomes:</b> FY 2000-01, the City received \$443,000 in funding, which was allocated to 13 non-profit organizations.	Ongoing	Department of Housing	Emergency Shelter Grants Program
	Continue to provide construction financing for single-family units and permanent financing for multi-family units  <b>Outcomes:</b> Between 1996-2001, CHFA funding was used to fund 1,105 low-and very low-income units.	Ongoing	Department of Housing	California Housing Finance Agency (CHFA)

## VI. IMPLEMENTATION

HOUSING PROGRAMS				
Housing Policies	Implementation Programs	Time Frame	Responsible Bodies	Funding Source
<b>Housing Policy #15, Low/Moderate Income Housing -</b> The City should foster the production of housing to serve the "starter" housing market through mortgage revenue bonds, Mortgage Credit Certificates and other low and moderate-income housing programs.	Continue to provide funding to low- and very-low income households to become or remain homeowners through three types of assistance.	Ongoing	Department of Housing	Call HOME Program
	Continue to provide deferred payment home loans to assist San Jose public school teachers . The City provides deferred payment loans up to \$40,000. The funds are combined with borrower funds, private lender loans and assistance from other agencies to enhance to teacher's ability to buy a home in San Jose.  <b>Outcomes:</b> As of October 2001, 163 teachers were assisted.	Ongoing	Department of Housing	Low-and-Moderate Income Housing Fund
<b>Housing Policy #29, Administrative -</b> The City should, as a matter of policy, support legislation at the State and Federal levels that: (1) furthers the City's objective of conserving and rehabilitating the existing housing stock, (2) provides for the greatest local autonomy in the administration of State and Federal housing programs, (3) encourages and facilitates private sector investment in housing affordable to households of extremely-low, very low-, low- and moderate-income, particularly rental housing, and (4) encourages the production of low-cost housing for families with children.	Research legislation to amend features of the CalHOME program in order to be more useful in San Jose.	Ongoing	Department of Housing	Low-and-Moderate Income Housing Fund
	Consider supporting legislation to expedite the process of making State-owned surplus land available for affordable housing development.  <b>Outcomes:</b> Five sites are in the acquisition process	Ongoing	Department of Housing	Low-and-Moderate Income Housing Fund

**HOUSING**  
Existing and New Programs

HOUSING PROGRAMS				
Housing Policies	Implementation Programs	Time Frame	Responsible Bodies	Funding Source
<b>Housing Policy #23, Rental Housing Supply</b> Construction of new affordable rental housing units should be fostered by incentives which include the leveraging of local, state and new federal funds.	Continue to provide funding for rehabilitation, new construction, and rental projects for group homes, independent living and care facilities  <b>Outcomes:</b> Since 1990, San Jose has funded only one Section 811 project (Casa de los Amigos SRO).	Ongoing	Department of Housing	Section 811: Supportive Housing for Persons with Disabilities
	Continue to provide rehabilitation and new construction financing for rental projects  <b>Outcomes:</b> Since 1990, San Jose has funded three Section 202 projects (Jardines Paloma Blanca, Girasol, Golondrinas)	Ongoing	Department of Housing	Section 202
<b>Housing Policy #1, Distribution</b> - The City encourages a variety and mix in housing types to provide adequate choices for housing to persons of all income levels in San Jose. Where appropriate, implementation of this policy in large-scale development projects should be considered.	Research opportunities for property acquisition of public-agency surplus land on a project-by-project basis	Ongoing	Department of Housing	Low-and-Moderate Income Housing Fund
<b>Housing Policy #14, Low/Moderate Income Housing</b> - The City should stimulate the production of very low-, low- and moderate-income housing by appropriately utilizing State and Federal grant and loan programs, City Redevelopment 20% tax increment funds, mortgage revenue bonds, and such other local programs authorized by law.	Continue to examine the feasibility of obtaining new sources of funding and leveraging of existing public funds for low and moderate income housing.	Ongoing	Department of Housing	Low-and-Moderate Income Housing Fund

## VI. IMPLEMENTATION

HOUSING PROGRAMS				
Housing Policies	Implementation Programs	Time Frame	Responsible Bodies	Funding Source
<b>Housing Policy #15, Low/Moderate Income Housing</b> - The City should foster the production of housing to serve the "starter" housing market through mortgage revenue bonds, Mortgage Credit Certificates and other low and moderate-income housing programs.	<b>Outcomes:</b> On June 21, 2001, the City Council committed to establishing a task force that will focus on identifying new sources of funding for affordable housing.  <b>Outcomes:</b> The Department of Housing retained a consultant to complete a study outlining several alternative sources that may be utilized in the future years for affordable housing. The study was completed in November 2001.	June 2001          November 2001	City Council       Department of Housing	Low-and Moderate Income Housing Fund
	Continue to provide assistance , including information on the availability, price and location of comparable housing, relocation payments and other referral and counseling services  <b>Outcome:</b> New development in the downtown has resulted in over 200 households being successfully relocated - of that, 12 households were able to become first-time homebuyers.	Ongoing	City and Redevelopment Agency	Tax Increment Financing
	Using the Redevelopment Agency's 20% Set-Aside monies, continue to provide affordable housing	Ongoing	Redevelopment Agency, Department of Housing	Tax Increment Financing
<b>Balanced Community Policy #2</b> - Varied residential densities, housing types, styles, and tenure opportunities should be equitably and appropriately distributed through the community and integrated with the transportation systems, including roads, bicycle and pedestrian facilities. Higher densities are encouraged near passenger rail lines and other major transportation facilities to support the use of public transit.	Housing Opportunity Study (HOS) - Identify vacant and underutilized sites within San Jose's Transit-Oriented Development Corridors to facilitate higher density and mixed-use development opportunities - propose General Plan amendments and rezoning program	June 2003	Department of Planning, Building and Code Enforcement	General Fund

**HOUSING**  
**Existing and New Programs**

HOUSING PROGRAMS				
Housing Policies	Implementation Programs	Time Frame	Responsible Bodies	Funding Source
<p><b>Residential Land Use Policy #22 -</b> High density residential and mixed residential/commercial development located along transit corridors should be designed to: Create a pleasant walking environment to encourage pedestrian activity, particularly to the nearest transit stop; maximize transit usage; allow residents to conduct routine errands close to their residence; integrate with surrounding uses to become a part of the neighborhood rather than an isolated project; use architectural elements or themes from the surrounding neighborhood; ensure that building scale does not overwhelm the neighborhood.</p> <p><b>Residential Land Use Policy # 3 -</b> Higher residential densities should be distributed throughout the community. Locations near commercial and financial centers, employment centers, the light rail transit stations and along bus transit routes are preferable for higher density housing. There are a variety of strategies and policies in the General Plan that encourages the construction of high density housing and supportive mixed uses. For example, the Housing Initiative and Transit-Oriented Development Corridor Special Strategy Areas encourage high density housing and mixed use development in close proximity to existing and planned transit routes. In addition, residential development located within 2,000 feet of a planned or existing rail station should occur at the upper end of the allowed density ranges and should typically be at least 25 DU/AC unless the maximum density allowed by the existing land use designation is less than 25 DU/AC.</p>	Identify HOS III sites within the southern portion of the Capitol Avenue/Expressway and Winchester TOD Corridors and other infill opportunities in the City	June 2003	Department of Planning, Building and Code Enforcement	General Fund
	Complete rezoning of HOS III sites	June 2003	Department of Planning, Building and Code Enforcement	General Fund
	Complete Transit-Oriented Development guidelines to assist the development community	June 2003	Department of Planning, Building and Code Enforcement	General Fund

## VI. IMPLEMENTATION

HOUSING PROGRAMS				
Housing Policies	Implementation Programs	Time Frame	Responsible Bodies	Funding Source
	<p>Outcomes: In February 2001, the City Council approved General Plan amendments on 14 sites as part of the Housing Opportunity Study - Phase I. The change is land use designations yields approximately 5,000 units above existing General Plan designations.</p> <p>Outcomes: Phase II of the HOS is currently in process. Nine sites have been identified along the Santa Clara Street/Alum Rock Avenue and West San Carlos Street/Stevens Creek Boulevard TOD Corridors. Four sites were approved by the City Council in May 2002, yielding approximately 2,200 units above existing General Plan land use designations. The remainder of the sites is anticipated to be heard by the City Council in December 2002.</p>	February 2001	Department of Planning, Building and Code Enforcement	General Fund
		December 2002	Department of Planning, Building and Code Enforcement	General Fund
	Review and evaluate development controls and regulations, development and building standards, development policies and processing procedures to ensure that they are consistent with and are effectively implementing the Housing and other policies of this Plan	Ongoing	Department of Planning, Building and Code Enforcement	General Fund
	Evaluate the Development Review Process through the Process Improvement Team		Department of Planning, Building and Code Enforcement	General Fund
	Evaluate the Discretionary Alternate Use Policies for use in the conventional zoning districts		Department of Planning, Building and Code Enforcement	General Fund
	Review and update the Residential Design Guidelines		Department of Planning, Building and Code Enforcement	General Fund
	Evaluate the General Plan amendment multiple cycle process		Department of Planning, Building and Code Enforcement	General Fund
	Continue to meet convene Developer's Roundtable meetings to disseminate information and receive feedback	Ongoing	Department of Planning, Building and Code Enforcement	General Fund

**HOUSING**  
**Existing and New Programs**

<b>HOUSING PROGRAMS</b>				
<b>Housing Policies</b>	<b>Implementation Programs</b>	<b>Time Frame</b>	<b>Responsible Bodies</b>	<b>Funding Source</b>
	Update the Level of Service Policy to account for various modes of transportation	2003	Department of Planning, Building and Code Enforcement	General Fund
	Review and modify the Zoning Ordinance, specifically the multi-family zoning districts to allow for higher density projects	2003	Department of Planning, Building and Code Enforcement	General Fund
	Review the Reasonable Accommodation section of the Municipal Code to ensure compliance with Government Code Section 65583 (a) (4)	2003	Department of Planning, Building and Code Enforcement	General Fund
	Review and modify the General Plan Land Use/Transportation Diagram General Commercial designation to allow for mixed-use developments consistent with the CP zoning district and Conditional Use Permit process.	2003	Department of Planning, Building and Code Enforcement	General Fund
	Revise the density ranges for the Medium High Density Residential from 12-25 DU/AC to 17-30 DU/AC and High Density Residential from 25-50 DU/AC to 31-50 DU/AC land use categories in the General Plan.	June 2003	Department of Planning, Building and Code Enforcement	General Fund
	Continue to work with communities throughout San Jose to create community plans as part of the Strong Neighborhoods Initiative  <b>Outcomes:</b> As of June 2002, 13 SNI plans have been adopted by the City Council and 7 more plans are in process	June 2003	Department of Planning, Building and Code Enforcement	CDBG; General Fund
	Continue to implement action items, such as rehabilitation of housing units, through the Strong Neighborhoods Initiative efforts.	Ongoing	Department of Housing; Redevelopment Agency; Parks, Recreation and Neighborhood Services	CDBG; General Fund

## VI. IMPLEMENTATION

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### Equal Housing Opportunities

The City of San José is committed to providing equal housing opportunities for all persons wishing to reside in San José. City policy is to distribute housing units affordable to various income levels throughout the City to create economically diverse neighborhoods. The City has a variety of programs to avoid discrimination and to resolve discrimination complaints.

The City of San José encourages equal housing opportunities through its rent relief/stabilization program. Apartment tenants and mobilehome residents seeking relief from rent increases may request a public hearing.

The City funds the Legal Aid Society of Santa Clara County's Housing Project with CDBG monies for the provision of fair housing services to landlords and tenants. Legal Aid provides help with evictions, rental repairs, deposits, rental agreements, leases, rental disputes, mortgage delinquency, home purchase counseling, housing discrimination and other housing related issues. Legal Aid staff is responsible for fair housing counseling, conciliation, fair housing education, referrals, investigations and audits. These responsibilities may extend to monitoring of HUD subsidized complexes on a request basis.

Equal/fair housing opportunities statistics are presented for fiscal year 1999/00 as follows:

- Two community-based fair housing projects were funded in the amount of \$407,950 this reporting period. These projects provided fair housing counseling, mediation, and litigation services as well as education, outreach, and processing fair housing claims. During the reporting period, 95 unduplicated participant cases for

fair housing claims were filed, 34 of which were meritorious.

- Projects also provided general fair housing information in the form of seminars, public service announcements, radio and television coverage, maintenance of a telephone information system, and distribution of brochures and newsletters. ■

### GENERAL PLAN REVIEW AND AMENDMENT PROCESS

The General Plan Review and Amendment Process provides an opportunity to update and refine the City Council policy expressed in the General Plan and to monitor and evaluate the progress of the implementation strategies and programs incorporated therein. Pursuant to State law, the City may conduct up to four hearings, but in any event no more than four hearings, on General Plan amendments per calendar year, depending on the nature and number of amendments. To facilitate a comprehensive review of the cumulative implications of proposed amendments, hearings should be scheduled at least two times per year.

Not more than once a year, the Planning Commission and City Council should schedule a General Plan hearing for the review and consideration of all proposed amendments that involve the conversion of employment land to non-employment uses, or that involve minor modifications to the Urban Growth Boundary or expansion of the Urban Service Area. Any proposed amendment that involves a major policy issue as defined above should only be considered during this annual General Plan hearing unless early consideration for continued processing or denial is recommended by the City.



## GENERAL PLAN REVIEW AND AMENDMENT PROCESS

### Hillside and Greenbelt Assessment Study

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The General Plan amendment process is the vehicle by which both the City and private property owners, developers, community groups or individual citizens request changes to the planned land uses on property or propose changes to the goals and policies of the Plan. The General Plan Review and Amendment Process affords the opportunity to refine the Plan based on changing conditions and community needs. The General Plan Review and Amendment Process includes citizen participation, both through community meetings to familiarize the general public with the amendment proposals as well as at the formal public hearings before the Planning Commission and City Council. Amendments should be analyzed based on their own merits as well as in the context of cumulative trends and consistency with the General Plan's Major Strategies. A summary of major policy issues and cumulative effects of proposed changes should be provided to the Planning Commission and City Council for every hearing.

On an annual basis through the Annual Report of the General Plan Review, the Planning Commission and City Council should consider current development trends to determine the City's progress in achieving the economic and housing development goals established in the Plan. In particular, the City should carefully monitor its jobs/employed resident ratio in an effort to reduce the existing jobs/housing imbalance in San José. Information which could be considered includes vacant land absorption, residential versus economic development, amounts and value of non-residential construction, number and types of housing units authorized by building permit, and activity levels in such processes as zonings, annexations, and building permits. Other information which could be considered includes the current capacity status of major infrastructure systems which are addressed in General Plan Level of Service policies

(transportation, sanitary sewers and sewage treatment), transit-ridership statistics and other measures of peak-hour diversion from single occupant vehicles, and the levels of police, fire, parks and library services being provided by the City.■

## SPECIAL IMPLEMENTATION PROGRAMS

### Hillside and Greenbelt Assessment Study

The General Plan includes as one of its major strategies the establishment of a Greenline to define the ultimate edge of the urbanized area. This Greenline includes the baylands, the hillsides within San José's sphere-of-influence and the rural/agricultural area in the south Coyote Valley Greenbelt.

The major objectives of the Greenline concept are as follows:

- Provide a permanent urban edge around San José, including a separation between the urbanized areas of San José and Morgan Hill.
- Devise long-term strategies for the preservation and enhancement of the natural resources in these areas, particularly the scenic and watershed values of the hillsides and the agricultural production and scenic values of the south Coyote Valley

In 1986 The Greenbelt: a Legacy for the Future was approved by the City Council. This report was developed by a 25 member task force in which citizens and special interest advocates participated. Permanent preservation of the natural environment and resources surrounding the City is the focus of the report. The report recommends a long term preservation program for the City to

## VI. IMPLEMENTATION

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redirect financial resources and political energy toward achieving this goal.

The report identified many techniques which can be utilized to accomplish permanent open space preservation. These techniques included public ownership of Greenline lands, transfer of development credits, the approval of some limited amount of development in exchange for the dedication of open space or scenic easements and tax and other financial incentives for property owners to maintain open space uses.

In order to develop a strategy for permanent preservation of the Greenline, a preservation technique incorporating three alternate approaches was considered and approved. These approaches were acquisition, regulation, and limited development in exchange for preservation.

In 1992 the Santa Clara County Open Space Authority was formed to actively pursue open space preservation throughout the County. It is anticipated that once a revenue stream has been approved the Agency will acquire and maintain open space. The City has and will continue to politically and financially support overall efforts of the Authority.

### **Sustainable City Strategy**

This special implementation program supplements and supports the Sustainable City Major Strategy which is based on the premise that natural resources are not inexhaustible commodities to be exploited but are limited assets which should be wisely managed for the benefit of present and future generations. By planning for urban sustainability, the City of San José aims to promote resource efficient land use, transportation, energy and water use, and resource conservation. The goal of long term sustainability is to develop a prosperous and healthful urban system which can

provide for the physical, social, economic and psychological needs of its population, and, at the same time, reverse the trends of increasing pollution and environmental degradation now threatening the quality of life. The Sustainable City Strategy, adopted by the City Council in 1989, is a long term program with clearly defined objectives and an implementation process for achieving them.

The energy goal of the Sustainable City Strategy promotes a sustainable future by conserving 10% of the energy projected to be used by the year 2000. This goal is intended to enhance the livability, economic strength and well-being of the City's residents and businesses and reduce environmental problems, particularly emissions that affect air quality, and contribute to local health problems and global warming.

The goal was premised on the understanding that an overall 10% energy-use reduction is technically and economically feasible based on 1) San José's actual pattern of energy use and available technologies, and 2) that the 10% goal would achieve a level of conservation exclusive of conservation achieved through State and Federal energy programs.

Building a sustainable community requires the right mix of programs options for the City. The categories of programs to be implemented through the Sustainable City Strategy include:

- Education and Persuasion
- Municipal Operations
- Technical Assistance
- Policy Consistency
- Regulation
- Financial Incentives

Another component of the Sustainable City Strategy includes a Research, Development and Monitoring Program. The benefits of an

enhanced monitoring capability would allow more accurate tracking of program performance which would be useful for program planning and modification. ■

### **IMPLEMENTATION OF THE GENERAL PLAN BY OTHER AGENCIES**

The City of San José is not the sole agency which will implement this General Plan. For instance, it is intended that this Plan be utilized by other public agencies and by utility companies in planning the delivery of services to San José residents and businesses. And the Santa Clara County General Plan does not include a land use plan for the territory within San José's Urban Service Area. For this area, the County General Plan specifies that development on unincorporated lands conform to the City's General Plan and be of a use and density which is compatible with the City's General Plan.

For the above and other purposes where the determination of consistency, compatibility or conformance of any proposal with this General Plan depends on an exercise of discretion (for example, an application of a Discretionary Alternate Use Policy), such discretion is solely within the purview of the City of San José. Any agency proposing to apply the provisions of this General Plan to a proposal can seek a determination of such consistency, compatibility or conformance by filing a written request with the Director of Planning of the City of San José. ■

## VI. IMPLEMENTATION

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